

JOSEPH P. RUSSONIELLO (CSBN 44332)  
United States Attorney  
THOMAS MOORE (ASBN 4305-O78T)  
Assistant United States Attorney  
Chief, Tax Division  
DAVID L. DENIER (California State Bar No. 95024)  
Assistant United States Attorney  
9th Floor Federal Building  
450 Golden Gate Avenue, Box 36055  
San Francisco, California 94102  
Telephone: (415) 436-6888  
Fax: (415) 436-6748

Attorneys for the United States of America

**UNITED STATES DISTRICT COURT FOR THE  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION**

UNITED STATES OF AMERICA, )  
Plaintiff, )  
v. )  
JESUS MARQUEZ, OLGA MARQUEZ, RAMON )  
MARQUEZ, JUANITA MARQUEZ, TAQUERIA )  
LOS PRIMOS, TAQUERIA LOS PRIMOS NO. 2, )  
LUIS GALINDO, MARTHA GALINDO, BANK )  
OF AMERICA, N.A., STATE OF CALIFORNIA )  
FRANCHISE TAX BOARD, STATE OF )  
CALIFORNIA EMPLOYMENT DEVELOPMENT )  
DEPARTMENT, STATE OF CALIFORNIA )  
BOARD OF EQUALIZATION, STATE OF )  
CALIFORNIA DEPARTMENT OF LABOR, )  
SAN MATEO COUNTY TAX COLLECTOR, )  
Defendants. )  
)  
)  
)  
)  
)  
)  
)  
)  
)  
)  
)  
)  
)  
)  
)  
)  
)  
No. C-08-0891-MEJ  
UPDATED JOINT CASE  
MANAGEMENT STATEMENT  
DATE: FEBRUARY 12, 2009  
TIME: 10:00 A.M.  
ORDER CONTINUING CMC

The parties to the above-entitled action jointly submit this updated Case Management Statement.

This is an action to reduce to judgment certain tax assessments made against defendants Jesus and Olga Marquez, Ramon and Juanita Marquez, Taqueria Los Primos, and Taqueria Los Primos No. 2; and to foreclose certain federal tax liens against the real property located at 791 South Johnston Street, Half Moon Bay, California 94019.

111

1       Jesus and Ramon Marquez are brothers and partners in Taqueria Los Primos, 85 North B  
 2 Street, San Mateo, California 94401, and Taqueria Los Primos No. 2, 376 N. Ellsworth Avenue,  
 3 San Mateo , California 94401. Both partnerships have outstanding employment tax liabilities.  
 4 Also, both partnerships continue to accrue FICA and withholding tax liabilities(Form 941) and  
 5 federal unemployment tax liabilities (Form 940). They are also delinquent in filing some of their  
 6 Employer's Quarterly Federal Tax Returns (Form 941), Employer's Annual Federal  
 7 Unemployment Tax Returns (Forms 940), and U.S. Return of Partnership Income (Form 1065).

8       Jesus and Olga Marquez and Ramon and Juanita Marquez have outstanding federal  
 9 income tax liabilities. Both couples file their federal income tax returns jointly.

10       Notices of Federal Tax Liens have been filed for the tax periods as set forth in the  
 11 complaint. Additionally, Defendants Employment Development Department, Franchise Tax  
 12 Board, and State Board of Equalization have recorded tax liens against the subject real property.

13       The real property that is the subject of the foreclosure action , 791 South Johnston Street,  
 14 Half Moon Bay, California 94019, is the residence of Jesus and Olga Marquez as well as the  
 15 residence of Ramon and Juanita Marquez. Jesus and Olga hold a forty-five percent interest in the  
 16 residence as joint tenants with each other. Ramon and Juanita Marquez hold a forty-five percent  
 17 interest in the residence as joint tenants with each other. The remaining ten percent is allegedly  
 18 held by Luis and Martha Galindo as joint tenants with each other. The couples' 45%, 45% and  
 19 10% interests are held as tenants in common. The Galindos do not reside at the foreclosure  
 20 property, nor do they owe any federal taxes. The parties are informed that the Galindos were on  
 21 title solely to assist the Marquez couples in obtaining financing and do not claim an interest in  
 22 the property.

23       Defendants Jesus and Olga Marquez, Ramon and Juanita Marquez, Taqueria Los Primos,  
 24 and Taqueria Los Primos No. 2 do not contest the tax liabilities. They have attempted to obtain a  
 25 home equity line of credit secured by the real property to pay off the tax debts, but they have been  
 26 unsuccessful. The Marquezes now wish to attempt to sell the home themselves because they are  
 27 likely to receive more from a private sale than a foreclosure. The creditors are willing to allow  
 28 them a reasonable time to sell the property, but expect the Marquezes to proceed expeditiously.

The Marquezes recently met with Coldwell Banker and are in the process of entering into a listing agreement with Coldwell Banker. The proposed listing agreement would be for 120 days. The market price suggested by Coldwell Banker appears reasonable to the parties. The Marquezes will provide a copy of the listing agreement to the other parties once it has been executed.

The parties suggest that the matter be set for a further case management conference on June 18, 2009, to report back to the Court on the Marquezes' efforts to sell the property.

Once the property is sold, the only real issue is the priority of lien holders with respect to the property. It is anticipated that the lien holders will be able to agree to their respective priorities.

JOSEPH P. RUSSONIELLO  
United States Attorney

Dated: February 5, 2009

/s/ David L. Denier  
DAVID L. DENIER  
Assistant United States Attorney  
Tax Division  
Attorneys for United States of America

Dated: February 5, 2009

/s/ Cindy L. Ho  
CINDY L. HO  
Attorney for Defendants Jesus Marquez,  
Olga Marquez, Ramon Marquez, Juanita  
Marquez, Luis Galindo, Martha Galindo,  
Taqueria Los Primos and Taqueria Los  
Primos No. 2

MICHAEL MURPHY  
County Counsel

Dated: February 5, 2009

/s/ Eugene Whitlock  
EUGENE WHITLOCK  
Deputy County Counsel  
Attorney for County of San Mateo Tax  
Collector

1 EDMUND G. BROWN JR.  
2 Attorney General of the State of California  
3  
4

5 Dated: February 5, 2009  
6  
7

8 /s/ Karen W. Yiu  
9 KAREN W. YIU  
10 Deputy Attorney General  
11 Attorneys for Defendants Franchise Tax  
12 Board, Employment Development  
13 Department, and State Board of Equalization  
14  
15

16 Good cause appearing, the Court hereby CONTINUES the CMC to June 18, 2009 at  
17 10:00 a.m. in Courtroom B.  
18

19 Dated: February 5, 2009  
20  
21

